

SUMMARY OF CHANGES TO ENV-A 3200

Adopted on February 27, 2004

DES proposes to make changes to Env-A 3203 and Env-A 3207.12. In Env-A 3203, DES proposes to make three changes. First, DES proposes to readopt the definition of “NOx allowance tracking system (NATS)” in Env-A 3203.39 with amendment to allow either the U.S. Environmental Protection Agency (EPA) or the department to operate and maintain the system. This change was requested by EPA in comments on a previous rulemaking. Second, DES proposes to readopt the definition of “renewable energy projects” in Env-A 3203.52 with amendment to include all eligible power generation technologies regardless of the date of commencement of operation. On May 21, 2003, Granite State Hydropower Association (“GSHA”), filed a petition to amend Env-A 3203.52 to make this change. DES granted the petition on June 20, 2003. The existing rule restricts eligible renewable energy projects to those that commenced or increased operation after December 31, 1990. Finally, DES proposes to adopt a new definition for “small scale hydro energy” in Env-A 3203.53 to specify that these are facilities with not more than 80 megawatts nameplate capacity. This term is used in the definition of “renewable energy projects” but is not defined in the existing rule.

In Env-A 3207.12, DES proposes to change the method of allocating the set-aside budget under Env-A 3207.12(d) from a simple proportional basis to a basis that requires an end-use energy efficiency project, renewable energy project, or non-emitting generating system to use Env-A 3207.12(e), (f), or (g) to determine the method of allocating set-aside allowances depending on the type of project or system. New end-use energy efficiency projects and renewable energy projects receive priority and full allocation (unless the total requests from these projects alone exceeds 500, then allocation would be on a proportional basis) as specified in Env-A 3207.12 (e) for the first 10 consecutive control periods after commencing operation. After 10 years of operation, those projects are considered an existing source and are allocated set-aside allowances as specified in Env-A 3207.12 (f). Non-emitting generating systems receive set-aside allowances as specified in Env-A 3207.12(g). Both existing projects and non-emitting generating systems are treated equally and receive their allocations from the remainder of the set-aside after new projects receive their allocation.